



Governor's FY 2011-12 May Revision Budget

Potential Impacts on the County of San Diego

On May 16, 2011 Governor Jerry Brown unveiled a budget proposal aimed at addressing an estimated \$9.6 billion state budget shortfall. Following is a list of the estimated impacts on the County of San Diego as a result of the FY 2011-12 May Revision.

Realignment

The May Revision retains the Governor's January proposal to restructure the state-local relationship through a realignment of the way government services are delivered. Programs that continue to be proposed for realignment include vehicle license fee (VLF) supported public safety programs, management of low-level offenders and adult parolees, juvenile justice programs, substance abuse disorder treatment, foster care and child welfare services, adult protective services, court security, and two mental health services. AB 109 was signed into law in April 2011 and realigns many state programs to local government; however, the bill contained a provision that provides the realignment would only become operative upon an appropriation to fund the grant program. Funding is reliant on legislative approval and voter ratification to extend temporary increases in VLF and Sales Tax; the May Revision assumes extension of these taxes effective July 1, 2011. The implementation of AB 109 without sufficient funding poses a significant impact to the County.

Public Safety

\$22.3 million potential loss in funding for current County public safety Vehicle License Fee-supported programs in Probation, Sheriff and District Attorney. These programs include Citizens' Option for Public Safety supporting jail staffing, law enforcement and prosecution activities, Juvenile Justice Crime Prevention Act, Juvenile Probation Camp Funding, Booking Fee Subvention, Vertical Prosecution and the High Technology Theft Apprehension and Prosecution program.

Undetermined County impact due to the transfer of responsibility for court security to the County.

Undetermined but significant County impact of transferring unknown number of low-level offenders to counties to serve their sentences locally with sentences determined by the court (as adopted by the Legislature and signed by the Governor in April 2011, AB 109). Approximately 2,000 offenders are estimated to remain in San Diego County annually. It is not known whether sufficient revenues would be provided to counties to incarcerate these offenders or to provide services and support in the community if appropriate.

Undetermined but significant County impact of shifting adult parole responsibilities to the counties. Approximately 2,000 additional offenders would be supervised locally. This population currently has a 70 percent recidivism rate, and would require a high level of supervision. It is not known whether revenues would be provided to counties to provide the required level of supervision for these offenders.

Undetermined County impact due to the potential end of the state's role in housing and treating youth offenders.

Health and Human Services

\$4 million loss to the County as a result of the CalWORKS funding cuts adopted by the Legislature and Governor in March 2011 (SB 72).

No County impact anticipated from shifting state mental health funding from Proposition 63 fund balances to fund Early Periodic Screening, Diagnosis and Treatment, assuming caseloads remain the same.

No County impact anticipated from shifting the ongoing responsibility for mental health services for special education students to school districts.

Unknown County impact resulting from the state contracting with the County of San Diego for performing independent adoption services.

Undetermined County impact resulting from shifting Healthy Families children to Medi-Cal.

\$88 million in potential loss of funding for First 5 San Diego should the state prevail in pending litigation.

\$800,000 in potential loss to the Public Authority should the May Revision of reducing \$7.5 million In-Home Supportive Services (IHSS) state funding be adopted.

Redevelopment

\$8 million in one-time additional revenue in FY 2011-12 for the County general fund; impact in subsequent years as existing redevelopment agencies' debt and contracts are paid off and programs are realigned is unknown.

\$1.6 million loss in revenue for the Gillespie Field Project Area

\$1 million loss in revenue for the Upper San Diego River Improvement Project Area

\$850,000 loss in revenue for the Low-Income Housing Program

\$270,000 in additional revenue (one-time) for the Library Fund

State Mandates

\$1.5-\$1.8 million estimated loss to the County in revenue per year should the state suspend reimbursements for most mandates not related to public safety or property taxes, presumably including election-related mandates.

Libraries

\$272,625 revenue loss in FY 2011-12 due to reduction in Public Library Foundation funding.

Special Election

\$5-\$6 million potential cost to the County to conduct a special election at a future date to extend specified VLF and Sales Tax. The May Revision does not identify a funding source to reimburse counties for election costs.